

The CALIFORNIA LICENSED CONTRACTOR



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No. 2

License Renewals Due

Applications for renewal of licenses are being mailed to all holders of certificates at their addresses as recorded by the Sacramento office. Upon each renewal application form are complete instructions which should be read carefully by the licensee.

These applications should be immediately returned to the Registrar after the instructions have been read and the data checked.

The renewal fee is \$5, providing it is filed with the Registrar, accompanied by a properly signed and completed renewal application, prior to the delinquent date. The Contractors' License Law (section 7) reads as follows: "Application for renewal * * * at any time before June 30th of any year shall authorize operation as a contractor by such licensee until actual issuance of such renewal license for the ensuing fiscal year." If filed after the delinquent date, a penalty fee of \$5 raises the cost of renewal to \$10.

A licensee whose completed application form and check have been filed prior to June 30th is entitled to continue in business, although it may be several weeks before the license certificate can actually be issued to him.

Each renewal application shows the name in which the license is issued, and the members or officers if the licensee is a copartnership or corporation, and the address.

If any change has occurred in the personnel of a copartnership, the license can not be renewed, and the remaining members of the copartnership must immediately secure an original application form and take steps to secure a new license.

If the officers of a corporation are not as shown upon the renewal application form, a correction should be made on the margin. If the address of the licensee is not as shown, the

old address should be stricken out and the new address boldly printed on the margin.

If there is any question as to whether or not renewal of a license is possible due to some change, the licensee should take the following three steps:

(1) Across the face of the renewal application boldly print the word "Questioned."

(2) Attach a letter clearly explaining the situation or the change that has occurred.

(3) Execute the renewal application form filing it with the Registrar with a check for \$5 prior to midnight of June 30th.

If the change does not bar renewal of a license, the certificate will be issued. If further information is necessary, the filing of the fee and the application will permit renewal without a penalty, even though the Registrar may be unable to finally straighten the matter out until after June 30th.

A majority of licensees, despite the fact that renewal applications are mailed to them about the first of June, wait until the last day or two to file their renewal application. Obviously, those whose applications are filed at this time will have to wait much longer for their new licenses than those whose applications are filed early in June. Every effort will be made by the Registrar to issue renewal

licenses as rapidly as possible. A minimum of extra help will be employed, in order to avoid clerical errors that follow the employment of inexperienced clerks.

Licensees who may be required to show their new licenses in order to secure jobs, permits, or city licenses, can not expect temporary certificates or letters from the Registrar stating that the renewal application has been filed if they find themselves without proof of renewal

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A. I. Stewart Appointed Director

A. I. Stewart, Past President of the California League of Municipalities, and Vice Chairman of the Board of City Directors of Pasadena, has been appointed Director of the Department of Professional and Vocational Standards, by Governor Merriam.

Former Director William G. Bonelli, appointed to the Southern California vacancy on the State Board of Equalization, introduces his successor as "a man of wide experience in the handling of public problems." He further predicts outstanding success for Mr. Stewart.

Mr. Stewart's reputation as a business director is known throughout the western part of the United States, and his appointment to the Governor's Council brings into the Governor's official family a man of acknowledged success in commerce, as well as in governmental administration.

The California Licensed Contractor

Department of Professional and Vocational Standards

FRANK F. MERRIAM.....Governor
A. I. STEWART.....Director
FRED A. TAYLOR.....Assistant Director

Members and Officers of the State Board

Roy M. Butcher, Chairman.....San Jose
Stephen L. Ford, Vice Chairman.....Long Beach
S. G. Johnson.....Oakland
Hugh W. McNulty.....Fresno
William Nies.....Los Angeles
Clarence B. Eaton.....San Francisco
Walter Trepte.....San Diego
Arthur Alber.....Registrar and
Executive Secretary
Glen V. Slater.....Assistant Registrar

Deputy Registrars

Ralph S. Bowdle.....Sacramento
I. L. Swearingen.....Los Angeles
Louis F. Erb.....San Francisco
423 State Office Building, Sacramento
Main Office
906 California State Building, Los Angeles
Branch Office
501 State Annex Building, San Francisco
Branch Office

June, 1938

HOW CONTRACTORS GET INTO DIFFICULTIES

By W. A. EVISON, Inspector

(Editor's Note: We are pleased to reprint herewith an article chosen as outstanding from a series submitted by our inspectors for its constructive material. This man's viewpoints should dovetail with those of the vast majority of contractors, whose business is operated upon a sound and ethical basis and who seek to avoid difficulties by forethought.)

Verbal agreements are the chief cause of contractors' difficulties, allowing "chiseling" owners to take advantage of all parties concerned. Few buildings are completed without some change or substitution in plans or specifications. At the time these changes are discussed the contractor often does not wish to take the time required to secure a written approval, or is afraid he will hurt the owner's feelings by making the demand. This leaves the case wide open should trouble develop involving cost or quality of extra work, verbal agreements being hard to prove.

One of the reasons we have few complaints on the larger construction projects is that contractors of this type have a good accounting system and insist that all substitutions and extras be verified in writing, listing the addition to or deduction from the original agreement. A few minutes devoted to a thorough understanding of proposed changes and secur-

ing of a written approval at the time may save hours of trouble and possible court action later. This also allows the owner to know exactly what the total extras will amount to and avoid a misunderstanding at the time of settlement.

Abbreviated or incomplete plans and specifications allow for various interpretations and cause no end of grief. Many complaints are filed due to such negligence. Though the contractor may have been sincere in allowing a nominal sum in his estimate for certain work, omission of definite specifications allows the owner to demand the very best. Omission of contour maps for hillside property causes much guess work, with the result that in addition to getting complaints from the owner who had not anticipated required changes, the sub-contractors demand extra compensation as they have usually figured from plans showing a fairly level lot.

Many complaints result from contractors not having advised with manufacturers as to the limitations of their products. Reliable companies are naturally interested in the satisfactory application or installation of their merchandise and will send their representatives to the job to check proposed work. Our office has received numerous complaints regarding unsatisfactory painting of exterior stucco walls. Many of these could have been eliminated if the contractor had called the manufacturer whose paints he had planned on using. Some of these companies will furnish labor and material to repaint the entire job where the directions have been followed and the work is unsatisfactory.

Much trouble could have been avoided if contractors had familiarized themselves with building ordinances. Corrections are not only expensive for the builder, but cause the owner to lose confidence in him and become skeptical regarding all other work. Complaints are then made concerning minor violations which would not otherwise have been made.

Another mistake many contractors make is getting tied up with an unscrupulous material dealer who finances 150 per cent. Numerous complaints could be traced to this source, where the lien law is overworked by the material dealer, the contractor often acting as superintendent, leaving the owner to hold the sack.

Many complaints result from contractors not staying in their own field. A successful painter or plumber may be a total failure as a general contractor. Though our present law does not confine subcontractors to their classification, this is a source of some of our trouble.

Failure to keep adequate records is another source of many complaints. Records can not be produced to substantiate transactions. Besides having violated our law, contractors do not know their actual cost of the job and expenditures run over their allowance. This causes a shortage of funds with which to complete the project.

Numerous complaints arise due to faulty flashing, one of our most numerous complaints being "the walls adjoining the chimney and windows leak and have discolored the interior stucco or paint." Much time and expense

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Across the Registrar's Desk

By ARTHUR ALBER, Registrar

Four out of five persons securing original application forms from the Registrar do not return the completed application. These figures are proved by a comparison of applications actually completed and filed with those purchased from the State Printer over the same period of time. It would be interesting to know how many of them reach the waste basket due to the inability of the individual to meet the Board's rules. Some are, of course, lost or spoiled.

Careless certifications may "boomerang." In one of our offices it was recently noticed that a certain individual was signing a large proportion of applications filed by individuals who apparently were just barely able to meet the Board's minimum requirements. Investigation showed that this party was signing the applications without any actual basis for his statement that the applicant's character was good. It was necessary to advise this individual that we did not feel his signature carried proper weight, due to our difference of viewpoint. Some applicants who secured his signature were required to secure additional certifications. This party's policy has changed. He found that his own business was suffering when his competitors found that his signature on an application was not accepted at face value.

Some people sign, as an accommodation, later explaining they "knew nothing bad" about the applicant. When contractors and material men come to realize the certification of a good reputation is a positive act, denoting knowledge, not lack of it, the rules of the Board will become more valuable to the industry.

CHANGE OF ADDRESS BEFORE RENEWAL

Licensees failing to promptly report changes of address are violating the rules of the Contractors' License Law, and endangering their own status.

It is important that the official address of each licensee be properly recorded by the Registrar for several reasons.

Particularly during the renewal period, licensees should carefully check their renewal application. If an address change has occurred, but has not been noted on the application form, the new address should be conspicuously written in. If the renewal application, showing the change, is not immediately filed, a letter of notification should be sent in at once.

COURT SUPPORT OF THE CONTRACTORS' LICENSE LAW PROVEN

In the past three months, 58 individuals were charged in police or justice courts with contracting without a license, and in all but 4 cases the defendants either plead guilty or were found guilty upon trial.

WALTER TREPTE APPOINTED TO STATE BOARD

General contractor Walter Treppe, of San Diego, well and favorably known in the Southern part of the State for some years as a general contractor, has been appointed to the State Contractor's License Board by Governor Merriam for a four-year term.

Treppe's honor is the second at the hands of Governor Merriam. He was formerly a member of the State Structural Pest Control Board as the representative of the construction industry in that group. His resignation from the Pest Control Board was shortly followed by his appointment to the Contractors' Board.

The new member has been interested in many movements for the betterment of the construction industry, and has been known to the other members of the State License Board as a constructive critic and supporter of the Contractors' License Law.

SUSPENSIONS AND REVOCATIONS

Since publication of the March bulletin, the licenses of 28 individuals or organizations have been suspended or revoked. The orders in these cases called for 22 suspensions, ranging in length from one to three months, and in most instances requiring a settlement of difficulties before reinstatement. Six licenses were revoked, and the Contractors' Act itself provides that no licensee whose certificate has been revoked can secure a new license until after a year has elapsed, and proof must also be shown the Registrar that all losses have been cared for.

During the same period of time, approximately 129 informal complaints were settled by the inspectors without the filing of formal charges before the Registrar. The amounts of damage claimed under these informal cases approximates \$59,185.20.

THINGS THAT EVERY CREDIT GRANTER SHOULD KNOW

THAT, a judgment does not outlaw; an execution may be issued after five years by an order of the court.

THAT, any guarantee or promise to pay an obligation of another must be in writing to be valid and signed by the party to be charged.

THAT, where one customer says, "Give him what he wants and I will pay for it," he is not a guarantor, he is a principal debtor and should be billed as such. (Reprinted from March 31st weekly bulletin, California Material Dealers Association.)

BAD MEMORIES CAUSE MANY CONTRACTORS FINES

Annually many licensees forget to renew their licenses until after June 30th. Then the cost is doubled, by addition of the statutory \$5 delinquent fee.

The application form, properly filled out, accompanied by a \$5 remittance, should be sent the Registrar at once.

HOW CONTRACTORS GET INTO DIFFICULTIES

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could be saved by more attention to water-proofing.

An investigation on the part of the contractor as to the plan of financing would have saved several complaints. The contracts were drawn specifying progress payments in excess of payments as allowed by the lending institution. While the contractor may have a legal excuse for abandoning work in these cases, inquiry on his part would have saved considerable trouble.

Irresponsible salesmen are also the source of much trouble in that they promise prospective customers the blue sky, the contractor being protected by a paragraph in his contracts which reads "Verbal agreements made by our salesmen are not binding upon parties to this contract." Control of such salesmen is difficult, but does prevent difficulties.

Labor contracts often prove unsatisfactory and are the cause of many of our complaints. Often the different trades are not coordinated, everyone is in a rush, and usually the plans and specifications can not even be found. Mistakes are not discovered until it is too late to make corrections except at considerable expense. This is the typical "jerry" builder whom we would like to eradicate.

Many complaints could be prevented if the contractors actually knew the source of their troubles.

LOSS OF RENEWAL APPLICATIONS

The Registrar has no legal obligation to an applicant for renewal of a license until the renewal application, in proper form, accompanied by a fee of \$5, has been filed. His obligation does not commence where personal checks are used for payment of the fee until after the check has had sufficient time to be held for payment and for a rejection notice to be served upon the Registrar if the check is not honored. Loss or delay in the mail, or failure of an agent of an applicant to promptly or properly file an application, does not constitute a legal excuse for delay in applying for a renewal, and the State's auditors will permit no waiver of the accounting rules under such circumstances.

SAN FRANCISCO OFFICE MAY BE MOVED

Offices of the Contractors' License Board, now located in the State Annex Building at 450 McAllister Street, San Francisco, may be moved to a new location on or about June 1st. Negotiations are now open for other suitable quarters. Orders are expected momentarily from the State Department of Buildings and Grounds.

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BOARD ELECTS FORD VICE CHAIRMAN

At the regular April meeting of the State Contractors' License Board, held in Sacramento on April 1st and 2d, Stephen L. Ford, plastering contractor of Long Beach, was elected Vice Chairman to fill the vacancy left by the retirement of Ralph E. Homann.

In the absence of S. G. Johnson, Chairman of the Rules Committee, due to an accident, no further action was taken by the Board on prequalification matters.

The Board conferred with a representative of the Director of the Department on budgetary limitations and the portions of the Board's rules which the Director had not at that time approved.

The meeting marked the first attendance of Walter Trepte, general building contractor of San Diego, recently appointed to the Board by Governor Merriam to fill a vacancy. His term of office expires in January, 1942.

LICENSE RENEWALS DUE

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of their license during the early part of July. If it is important for you to have your new certificate in your possession the first of July, do not wait until the end of June to apply for it.

Applicants for renewal of their licenses are required by the Board's rules to report upon their compensation insurance. Space for this information is provided upon the renewal application form. If this information is not supplied, the Registrar will either refer the matter to an inspector for investigation, or will take the matter up with the licensee by mail. In either instance, time will be lost by the licensee and also by the Board, which could be avoided by proper execution of the renewal application.

Licensees who apply for renewal by sending personal checks with their applications will receive their new licenses ten days later than if a money order, cashier's or certified check is sent. The State's auditing rules require that all personal checks be held for ten days. Personal checks include all types of checks except cashier's or certified checks or money orders.

The annual renewal of licenses is a tremendous task for our regular staff. Every effort is taken to expedite the work and to make it as convenient as possible for licensees. The Board and its office and field representatives will appreciate your cooperation in following the instructions on the renewal application form, and in filing for your 1938-39 license as soon as possible.

LICENSE NUMBERS MISREAD

For auditing purposes, all licenses are serially numbered each year. This number is printed on the certificate in large figures, but is not the license number. The license number is so designated, and is placed on the certificate in numerals in keeping with the size of the words giving the licensee's name and address.